



STATE OF MICHIGAN  
STATE BOARD OF EDUCATION  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

October 12, 2004

THOMAS D. WATKINS, JR.  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

**Public Statement by State Board of Education President Kathleen N. Straus  
On Behalf of the State Board of Education**

Michigan ballot Proposal 04-01, coming before voters on November 2, 2004, has the potential to have a devastating effect on public education in Michigan.

If passed, provisions in Proposal 1 will greatly diminish the revenues from state lottery games going to the state's School Aid Fund. This is more than money to a "fund." These are critical dollars that fund teachers, reduce class size, and provide teachers with the tools they need to teach our children. State lottery revenues are a significant contributor to funding for all public schools in Michigan.

In Fiscal Year 2003, the State Lottery's contribution to the School Aid Fund was \$586 million. In Fiscal Year 2004, it is expected to be \$644 million – the largest in the history of the State Lottery. While this represents only a portion of the \$12 billion School Aid Fund, a decline in the Lottery contributions will most certainly mean either the revenues will need to be replaced from other sources, or corresponding reductions in support for our schools, our teachers, and most importantly, our children.

With the structural deficit facing Michigan, which has placed a severe strain on our schools, students, and teachers, the potential of any loss of funds to our schools and children would be devastating.

Estimates by the State Lottery reflect that, if Proposal 1 passes, there is a potential for a \$602 million reduction to the School Aid Fund over a three-year period due to limits on the Lottery expanding its games to maintain active participation levels.

Although Proposal 1 addresses a number of issues involving the expansion of various forms of gaming in Michigan, the provisions regarding the State Lottery have a direct impact on public school funding and the delivery of a quality education that Michigan's 1.7 million public school children need and deserve to be successful in the 21<sup>st</sup> Century knowledge economy.

To the degree that gaming exists in Michigan, the State Board of Education prefers to have it conducted under the auspices of the State Lottery Commission and to the maximum benefit of Michigan public education. Our children and the education they receive in our public schools are far more important to our state's future than limiting the number of slot machines.

The State Board of Education, therefore, opposes the passage of Proposal 1 and urges the citizens of Michigan to consider the impact Proposal 1 will have on quality education in Michigan.

Proposal 1 is a bad bet for our schools and our children.

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